

Village of Rosedale, Louisiana

Annual Financial Statements

**As of and for the year ended
December 31, 2014**

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Honorable Mayor and
Members of the Board of Aldermen
Village of Rosedale, Louisiana

Report on Financial Statements

I have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the Village of Rosedale, Louisiana, (the "Village") as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Opinions

In my opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Village of Rosedale, Louisiana as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Summarized Comparative Totals

The prior year summarized comparative information has been derived from the Village's 2013 financial statements and, in my report dated July 9, 2014, I expressed an unmodified opinion on the respective financial statements of the governmental activities, business-type activities and each major fund.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3-8 and pages 33 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions that collectively comprise the Village's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits and Other Payments is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated May 18, 2015, on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

W. Kathleen Beard

Certified Public Accountant
May 18, 2015

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis

This narrative report has been prepared in an easy-to-read format by management. It provides an analytical overview of the Village's financial activities for the year based on currently known facts and management's knowledge of the transactions, events, and conditions reflected in the financial report and the fiscal policies that control the Village's operations.

Village of Rosedale, Louisiana
Management's Discussion and Analysis
December 31, 2014

INTRODUCTION

This annual report consists of -

- Our independent auditor's report on the financial statements in which she rendered an unqualified opinion.
- Management's discussion and analysis which provides in plain language an overview of our financial activities for the year.
- The basic financial statements which consist of government-wide financial statements, governmental and proprietary fund financial statements, and the notes to those financial statements.
- The comparison of actual operations for the year compared to the budget for the General Fund.
- Our independent auditor's report on the Village's compliance with laws and regulations and how management applied internal controls over its financial operations. The results of her tests and observations did not indicate any violations that she considered to be in noncompliance or conditions that required to be disclosed that could affect our operations.

Management's Discussion and Analysis

As management of the Village of Rosedale, Louisiana, we are pleased to provide an overview of our financial activities for the year ended December 31, 2014. The intended purpose of the Management Discussion and Analysis (MD&A) is to provide an introduction to the basic financial statements and notes, that provides an objective and easy to read analysis of our financial activities based on currently known facts, decisions, and conditions, by providing an easily readable summary of operating results and reasons for changes, which will help to determine if our financial position improved or deteriorated over the past year. This report addresses current operational activities the sources, uses, and changes in resources, adherence to budget, service levels, limitations of significant economic factors, and the status of infrastructure and its effects on our debt and operation. When referring to prior years data in this analysis we will be drawing upon information from last year's audited financial report.

Financial Highlights

- The Village's net position increased by \$254,242 from \$4,422,770 in 2013 to \$4,677,012 in 2014.
- Governmental revenues decreased from \$1,266,682 to \$1,143,291.
- Utility operating revenues increased from \$44,644 to \$64,243.
- Cash and investments increased by \$322,958 for the year ended December 31, 2014.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements which are comprised of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements, and (4) other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Village's Government-wide Financial Statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The Government-Wide Financial Statements, presented on pages 9 and 10, are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

In the Statement of Net Position and the Statement of Activities, the Village is divided into two kinds of activities:

Governmental activities - Most of the Village's basic services are reported here, including police and fire protection, roads/street and drainage, debt service and general administration. Sales taxes, franchise fees, occupational licenses, and federal and state grants finance most of these activities.

Business-type activities - The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's public utility systems (natural gas, water, and sewer) are reported here.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements of using certain taxes, grants, and other money. The Village's two kinds of funds - governmental and proprietary - use different accounting approaches.

Governmental Funds - Governmental funds, presented on pages 11 thru 14, focus on how money flows into and out of the funds and the balances left at year-end that are available for spending. Most of the Village's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

Proprietary Fund - When the Village charges customers for the services it provides - whether to outside customers or to other units of the Village - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash-flows, for proprietary funds.

Notes to the Financial Statements

The notes, presented on pages 18 thru 32, provide additional narrative and tabular information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's budgetary control, on page 33 thru 34.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. At the end of the most recent year, the assets of the Village exceeded its liabilities by \$4,677,012.

The Village's total assets are composed of \$1,408,911 (29.91%) in cash, investments, and receivables, \$17,211 (.37%) of noncurrent assets (restricted cash and cash equivalents) and \$3,283,991 (69.72%) investment in capital assets (land, buildings, utility systems, vehicles and equipment, etc.). The Village uses these capital assets to provide various services to residents and businesses in the incorporated area, these assets are not available for future spending.

The Village has \$962,644 to be used in future operations and acquisition of new capital assets that will improve the operations of the Village.

Statement of Net Position

	Governmental Activities	Business-type Activities	Total 2014	Total 2013	% Change
Current and other assets	\$ 1,351,879	\$ 64,243	\$ 1,426,122	\$ 1,152,108	19.21%
Noncurrent assets	2,308,623	975,368	3,283,991	3,346,928	-1.92%
Total assets	3,670,502	1,039,611	4,710,113	4,499,036	4.48%
Current and other liabilities	19,272	5,167	24,439	67,066	-174.42%
Noncurrent liabilities	8,663	0	8,663	9,199	-6.19%
Total liabilities	27,935	5,167	33,102	76,265	-130.39%
Net position -					
Invested in capital assets, net of related debt	2,308,623	971,948	3,280,571	3,346,928	-2.02%
Restricted	433,796	0	433,796	278,458	35.81%
Unrestricted	900,147	62,497	962,644	797,385	17.172%
Total net assets	\$ 3,642,567	\$ 1,034,445	\$ 4,677,012	\$ 4,422,770	5.44%

(Continued on next page)

The Village's total revenues decreased by \$148,622 from \$1,387,280 in 2013 to \$1,238,658 in 2014.

Total expenses increased by \$22,072 from \$950,493 in 2013 to \$972,565 in 2014.

Changes in Net Position

	Governmental Activities	Business-type Activities	Total 2014	Total 2013	% Change
Revenues:					
Program revenues -					
Charges for services	\$ 17,165	\$ 71,510	\$ 88,675	\$ 9,695	89.07%
Operating grants and contributions	-	23,850	23,850	50,000	-109.64%
Capital grants and contributions	-	-	-	-	
General revenues -					
Sales taxes	1,113,736	-	1,113,736	1,312,609	-17.86%
Other general revenues	12,390	-	12,390	14,959	-20.73%
Investment earnings	-	6	6	17	-183.33%
Transfers	(87,927)	87,927	-	-	-100.00%
Total revenues	1,055,364	183,294	1,238,658	1,387,280	-12.00%
Functions/Program expenses -					
General government	172,547	-	172,547	170,655	1.10%
Public safety	35,902	-	35,902	96,969	-170.09%
Public works	193,741	-	193,741	186,365	3.81%
Capital outlay	210,063	-	210,063	318,148	50.50%
Utility operations	142,643	217,668	360,311	178,356	-51.45%
Bad debts written off	-	-	-	-	0.00%
Total expenses	754,897	217,668	972,565	950,493	2.27%
Increase (Decrease) in net position	\$ 300,467	\$ (34,374)	\$ 266,093	\$ 436,787	-64.15%
Beginning net position	1,017,481	1,063,819	2,086,300	1,649,513	20.94%
Ending net position	\$ 1,317,948	\$ 1,034,445	\$ 2,352,393	\$ 2,086,300	11.31%

Governmental Fund Financial Analysis

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Village's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

Revenues	General Fund	Special Revenue Fire Protection	Total 2014	Total 2013
Revenues	\$ 970,897	172,394	\$ 1,143,291	\$ 1,266,682
Expenditures	(637,900)	(116,906)	(754,897)	(773,212)
Surplus (deficit)	332,907	55,488	388,394	493,470
Transfers in (out)	(92,558)	4,631	(87,927)	(322,942)
Inc (dec) in net assets	240,349	60,119	300,467	170,528
Beginning net assets	643,804	373,677	1,017,481	346,953
Ending net assets	\$ 884,153	433,796	\$ 1,317,948	\$ 1,017,481

Budgetary Highlights

The Village's annual operating budgets are the legally adopted expenditure control documents of the Village. These operating budgets were very conservative and during the year, the operating budgets were amended. Amending the budget is a customary practice to reflect changes that occur with financially related matters throughout the year.

The General Fund final budgeted revenues were \$714,240 which was \$177,139 less than actual revenues. Current expenditures were \$116,257 less than the original budget. Capital Outlays were \$ 56,282 compared to budgeted capital outlays of \$150,800 during the fiscal year.

A budgetary comparison statement for the General Fund is required and can be found on page 33 and 34. This statement compares the original adopted budget, the final amended budget, and the actual expenditures prepared on a budgetary basis which was prepared on the modified accrual basis of accounting.

Capital Assets

At December 31, 2014 and 2013, the Village had \$3,283,990 and \$3,345,053, respectively, invested in a broad range of capital assets, including land, buildings, utility systems, vehicles, and equipment.

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 201,373	\$ 151,373	\$ -	\$ -	\$ 201,373	\$ 151,373
Construction in progress	89,620	78,854	-	-	89,620	78,854
Buildings	393,196	416,012	-	-	393,196	416,012
Improvements other than buildings	1,431,167	1,402,923	-	-	1,431,167	1,402,923
Machinery and equipment	193,266	271,435	7,751	13,353	201,017	284,788
Utility property			967,617	1,011,103	967,617	1,011,103
Totals	\$ 2,308,622	\$ 2,320,597	\$ 975,368	\$ 1,024,456	\$ 3,283,990	\$ 3,345,053

During the current fiscal year, the Village made the following capital outlays

Further detail on capital assets is presented in Note 7 on pages 29 and 30.

Economic Factors and Next Year's Budgets and Rates

The budget adopted for the fiscal year ending December 31, 2015 only shows a moderate increase to maintain the services provided to the citizens of the Village.

The Village relies heavily on sales tax revenues for the operations of both the General Fund (90%) and Fire Department (100%). Therefore, governmental activities are impacted by the economic growth of the area.

The Public Utility Systems shows a negative net profit margin of 24.30% which has been a continuing trend over the past five years.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Karen Russo, Clerk or Mark David, Financial Consultant at (225) 648-2333 or write to the Village of Rosedale, Post Office Box 167, Rosedale, LA 70772.

BASIC FINANCIAL STATEMENTS

Village of Rosedale
Statement of Net Position
December 31, 2014 with summarized comparative totals for 2013

	Primary Government			
	Governmental	Business-type		2013
	Activities	Activities	Total	Totals
ASSETS:				
Cash and cash equivalents				
Cash on hand and in banks	\$ 317,175	\$ 27,970	\$ 345,145	\$ 372,374
Investment in LAMP	898,579	24,809	923,388	573,201
Accounts receivable (net)	129,890	10,249	140,139	189,424
Due from other funds	239	-	239	239
Prepays	15,996	1,215	17,211	16,870
Capital assets				
Non-depreciable	290,993	-	290,993	232,102
Depreciable, net of accumulated depreciation	2,017,630	975,368	2,992,998	3,114,826
Total assets	3,670,502	1,039,611	4,710,113	4,499,036
LIABILITIES:				
Accounts payable	10,119	1,507	11,626	10,011
Accrued liabilities	9,153	-	9,153	7,975
Retainage payable	-	3,420	3,420	48,840
Due to other funds	-	239	239	239
Due to other governments	-	-	-	-
Liabilities for compensated absences	8,663	-	8,663	9,199
Total liabilities	27,935	5,167	33,102	76,265
NET POSITION:				
Net investment in capital assets	2,308,623	971,948	3,280,571	3,346,928
Restricted for Fire Protection	433,796	-	433,796	278,458
Unrestricted	900,147	62,497	962,644	797,385
Total net position	\$ 3,642,567	\$ 1,034,445	\$ 4,677,012	\$ 4,422,770

The accompanying notes to the financial statements are an integral part of this statement

Village of Rosedale
Statement of Activities
For the Year Ended December 31, 2014 with summarized totals for 2013

Functions/Programs	Program Revenues				Net (Expense)Revenue and Changes in Net Assets				2013 Total
	Expenses	Charges for Services	Operating	Capital	Primary Government				
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities -									
General government	\$ 184,692	\$ -	\$ -	\$ -	\$ (184,692)	\$ -	\$ (184,692)	\$ (182,203)	
Public safety	174,990	3,048	-	6,040	(165,902)	-	(165,902)	(216,588)	
Public services	289,795	16,490	-	44,800	(228,505)	-	(228,505)	(36,048)	
Culture and recreation	7,409	675	-	-	(6,734)	-	(6,734)	(7,409)	
Urban development	79,518	-	79,518	-	-	-	-	-	
Total governmental activities	736,404	20,213	79,518	50,840	(585,833)	-	(585,833)	(442,248)	
Business-type activities -									
Water utilities	217,668	71,510	-	23,850	-	(122,308)	(122,308)	194,016	
Total business-type activities	217,668	71,510	-	23,850	-	(122,308)	(122,308)	194,016	
General revenues									
General purpose sales and use tax					759,473	-	759,473	780,090	
Public safety sales and use tax					154,415	-	154,415	159,374	
2% Fire insurance rebate					3,985	-	3,985	3,994	
Franchise taxes					37,181	-	37,181	33,496	
Occupational license					25,130	-	25,130	23,963	
Building and liquor permits					2,565	-	2,565	2,850	
Other taxes					629	-	629	761	
Investment income					202	6	208	349	
Other income					7,542	-	7,542	245	
Special items - Gain on disposal of capital assets					1,600	-	1,600	12,000	
Extraordinary items - Loss from abandonment of property					(30,345)	-	(30,345)	-	
Transfers					(87,927)	87,927	0	(250,716)	
Total general revenues and transfers					874,448	87,934	962,382	766,407	
Change in net position					288,615	(34,374)	254,241	518,175	
Net position, January 1,					3,353,951	1,068,819	4,422,770	3,904,595	
Net position, December 31,					\$ 3,642,567	\$ 1,034,445	\$ 4,677,012	\$ 4,422,770	

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Balance Sheet
Governmental Funds
December 31, 2014 with summarized comparative totals for 2013

	Special Revenue			Capital		2013
	General	Fire Protection	LCDBG	Projects		2013
	Fund	Fund	Housing Program	Fund	Total	Totals
ASSETS						
Cash and cash equivalents -						
Cash on hand and in banks	\$ 211,233	\$ 105,842	\$ -	\$ 100	\$ 317,175	\$ 359,742
Investments in LAMP	583,907	314,672	-	-	898,579	548,398
Receivables -						
Franchise taxes	8,597	-			8,597	8,368
Other receivables	152	-			152	-
Due from other funds	28,051	-	-	-	28,051	64,259
Due from other governments	79,701	13,729	3,000	24,711	121,141	174,842
Total Assets	\$ 911,641	\$ 434,242	\$ 3,000	\$ 24,811	\$1,373,694	\$1,155,609
LIABILITIES AND FUND BALANCES						
Accounts payable	\$ 9,672	\$ 446	\$ -	\$ -	\$ 10,119	\$ 8,094
Contracts payable	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	48,840
Accrued liabilities	9,153	-	-	-	9,153	7,975
Due to other funds	-	-	3,000	24,811	27,811	64,019
Due to other governments	-	-	-	-	-	-
Liabilities for compensated absences	8,663	-	-	-	8,663	9,199
Total Liabilities	27,489	446	3,000	24,811	55,747	138,128
Fund Balances -						
Restricted for fire protection	-	433,796	-	-	433,796	373,677
Assigned -						
Streets paving projects	150,000	-	-	-	150,000	50,000
Unassigned	734,152	-	-	-	734,152	593,804
Total Fund Balances	884,152	433,796	-	-	1,317,948	1,017,481
Total Liabilities and Fund Balances	\$ 911,641	\$ 434,242	\$ 3,000	\$ 24,811	\$1,373,695	\$1,155,609

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
December 31, 2014 with summarized comparative totals for 2013

	<u>2014</u>	<u>2013</u>
Fund Balances - total governmental funds	\$ 1,317,948	\$ 1,017,481
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources therefore are not reported in governmental funds		
Governmental capital assets	4,524,719	4,353,303
Less: accumulated depreciation	<u>(2,216,096)</u>	<u>(2,032,706)</u>
	2,308,623	2,320,596
Prepaid insurance premiums in governmental activities are not recognized as expenditures for governmental funds		
	<u>15,996</u>	<u>15,874</u>
Net Position of Governmental Activities	<u><u>\$ 3,642,567</u></u>	<u><u>\$ 3,353,951</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
Years ended December 31, 2014 with summarized comparative totals for 2013

	General Fund	Special Revenue Fire Protection Fund	LCDBG Housing Program	Capital Projects Fund	Total	2013 Totals
REVENUES:						
Taxes and licenses	\$ 64,876	\$ -	\$ -		\$ 64,876	\$ 60,309
Intergovernmental revenue	804,902	164,440	79,518	-	1,048,860	1,181,718
Charges for services	17,165	-	-	-	17,165	9,695
Fines and forfeitures	3,048	-	-	-	3,048	2,382
Interest income	123	79	-	-	202	332
Miscellaneous	1,266	6,275	-	-	7,541	245
Sale of fixed assets	-	1,600	-	-	1,600	12,000
Total revenues	891,379	172,394	79,518	-	1,143,291	1,266,682
EXPENDITURES:						
Current -						
General government	72,547	-	-	-	172,547	170,655
Public safety	35,902	63,125	-	-	99,027	96,969
Public works	193,741	-	-	-	193,741	186,365
Urban development -						
Rehabilitation Project	-	-	79,518	-	79,518	1,075
Capital outlay	156,282	53,781	-	-	210,063	318,148
Total expenditures	558,472	116,906	79,518	-	754,896	773,212
Excess Revenues Over (Under) Expenditures	332,907	55,488	-	-	388,395	493,470
OTHER FINANCING SOURCES (USES):						
Transfers in	-	4,631	-	-	4,631	31,396
Transfers (out)	(92,558)	-	-	-	(92,558)	(354,338)
Total Other Financing Sources (Uses)	(92,558)	4,631	-	-	(87,927)	(322,942)
Net Change in Fund Balances	240,348	60,119	-	-	300,467	170,527
FUND BALANCE:						
Beginning of Year	643,804	373,677	-	-	1,017,481	846,953
End of Year	\$ 384,152	\$ 433,796	\$ -	\$ -	\$ 1,317,948	\$ 1,017,481

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
Year Ended December 31, 2014 summarized totals for 2013

	<u>2014</u>	<u>2013</u>
Net Change in Fund Balances - total governmental funds	\$ 300,467	\$ 170,527
Amounts reported for governmental activities in Statement of Net Activities are different because:		
Expenditures in the Statement of Activities that do not use current financial resources are not reported as expenditures in the governmental funds statements for prepaid expenses		
Current year	15,996	15,874
Prior year	(15,874)	(14,970)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	210,063	318,148
Less current year depreciation	(191,693)	(237,662)
Governmental funds report income equal to the proceeds from sale of capital assets whereas, the Statement of Activity reports gain or loss which reflects book value of assets when sold.		
	<u>(30,345)</u>	<u>-</u>
Net difference	<u>(11,852)</u>	<u>81,389</u>
Change in Net Position of Governmental Activities	<u>\$ 288,615</u>	<u>\$ 251,916</u>

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale
Statement of Net Position
Proprietary Funds
December 31, 2014 with summarized comparative totals for 2013

	- Business-type Activities -	
	Enterprise Fund - Water System	
	2014	2013
ASSETS		
Current assets -		
Cash and cash equivalents - Cash on hand and in checking		
Cash on hand and in checking	\$ 27,970	\$ 12,632
LAMP	24,809	24,803
Accounts receivable (net)	10,249	6,214
Due from other funds	-	-
Prepaid expenses	1,215	996
Total Current Assets	64,243	44,644
Noncurrent assets -		
Capital assets		
Nondepreciable:		
Construction in progress	-	1,875
Depreciable:		
Plant and equipment	1,922,177	1,880,667
Less: accumulated depreciation	(946,809)	(856,211)
Property, plant and equipment, net	975,368	1,026,331
Total Noncurrent Assets	975,368	1,026,331
Total Assets	\$ 1,039,611	\$ 1,070,976
LIABILITIES		
Current liabilities -		
Accounts payable	\$ 1,507	\$ 1,917
Contracts payable	-	-
Retainage payable	3,420	-
Due to other funds	239	239
Total Current Liabilities	5,167	2,157
Total Liabilities	5,167	2,157
NET POSITION		
Net investment in capital assets	971,948	1,026,331
Unrestricted	62,497	42,488
Total Net Position	\$ 1,034,445	\$ 1,068,819

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year ended December 31, 2014 with summarized comparative totals for 2013

	- Business-type Activities - Enterprise Fund - Water System	
	2014	2013
OPERATING REVENUES		
Charges for services	\$ 70,120	\$ 69,230
Connection/reconnection fees	1,250	1,225
Miscellaneous income	140	127
	<hr/>	<hr/>
Total Operating Revenue	71,510	70,582
OPERATING EXPENSES		
Personnel services	90,666	75,769
Purchased professional services	6,383	17,132
Current used in pumping	6,427	5,580
Other purchased services and expense	5,587	5,390
Repairs, maintenance & supplies	18,007	13,280
Bad debt expense	-	-
Depreciation	90,598	60,131
	<hr/>	<hr/>
Total Operating Expense	217,668	177,281
	<hr/>	<hr/>
Operating Income (Loss)	(146,157)	(106,700)
	<hr/>	<hr/>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	6	17
Sale of capital assets	-	-
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	6	17
	<hr/>	<hr/>
Income (Loss) before contributions and transfers	(146,151)	(106,683)
Capital contributions		
State grant - CWEF	23,850	50,000
General Fund	-	250,715
Transfers in - General fund	87,927	72,227
	<hr/>	<hr/>
Total contributions and transfers	111,777	372,942
	<hr/>	<hr/>
Change in net position	(34,374)	266,259
	<hr/>	<hr/>
Total net position, beginning of year	1,068,819	802,560
	<hr/>	<hr/>
Total net position, end of year	\$ 1,034,445	\$ 1,068,819
	<hr/>	<hr/>

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Statement of Cash Flows
Proprietary Fund
Year ended December 31, 2014 with summarized comparative totals for 2013

	- Business-type Activities - Enterprise Fund - Water System	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 70,894	\$ 70,247
Cash payments for goods and services	(37,033)	(52,290)
Cash payments for salaries and benefits	(90,666)	(72,227)
Net Cash Provided by (Used for) Operating Activities	(56,804)	(54,270)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers in from general fund	87,927	72,227
Net Cash Provided by (Used for) Noncapital financing activities	87,927	72,227
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contribution from general fund	-	250,715
State grant funding for capital projects	23,850	50,000
Acquisition and construction of capital assets	(39,635)	(348,087)
Gain on sale of capital assets	-	-
Net Cash Provided by (Used for) Capital and Related Financing Activities	(15,785)	(47,372)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	6	17
Net Cash Provided by (Used for) Investing Activities	6	17
INCREASE (DECREASE) IN CASH	15,344	(29,399)
CASH AND CASH EQUIVALENTS, BEGINNING	37,434	66,833
CASH AND CASH EQUIVALENTS, ENDING	\$ 52,778	\$ 37,434
Cash and Cash Equivalents:		
Cash on hand	\$ 100	\$ 100
Cash in checking accounts	27,870	12,532
Cash in LAMP	24,809	24,803
	\$ 52,778	\$ 37,434
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (146,157)	\$ (106,700)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	90,598	60,131
Net Changes in Assets and Liabilities -		
(Increase) decrease in accounts receivable - customers	(616)	(335)
(Increase) decrease in prepaid expenses	(219)	(19)
(Increase) decrease in due to other funds	-	239
(Increase) decrease in due from other funds	-	761
Increase (decrease) in accounts payable	(410)	(8,348)
Increase (decrease) in advances from customers	-	-
Total adjustments	89,353	52,429
Net Cash provided by (used for) operating activities	\$ (56,804)	\$ (54,270)

The accompanying notes to the financial statements are an integral part of this statement.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

Introduction

The Village of Rosedale was incorporated August 2, 1955, under the provisions of Title 33, Chapter 2, Part I, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The "Village" operates under a Mayor - Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, public improvements, and general administrative services. The Village is located in Iberville Parish, Louisiana and has a population of 793. The Board of Aldermen is comprised of three persons and the Village has 7 full time and 3 part time employees.

The Village's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Village are described below.

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Village's combined financial statements include the accounts of all the Village's operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include:

- the organization is legally separate (can sue and be sued in their own name)
- the Village holds the corporate powers of the organization
- the Village appoints a voting majority of the organization's board
- the Village is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Village
- there is fiscal dependency by the organization on the Village

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the financial statements must present the Village (primary government) and its components. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

The accompanying financial statements present information only on the funds maintained by the Village of Rosedale.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

1. Summary of Significant Accounting Policies

B. Basic Financial Statements – Government–Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and fire protection, parks and recreation, public works and general administrative services are classified as governmental activities. The Village's water services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Village utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities. The net costs by function are normally covered by general revenue. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, public works and general administrative, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grant column reports capital-specific grants. This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Program revenues – Program revenues included in the column labeled Statement of Activities are derived directly from Water System users as a fee for services; program revenues reduce the cost of the function to be financed from the Village's general revenues

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column (the Village currently has no nonmajor funds). GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for determination of major funds.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

1. Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements (Continued)

The funds presented in the financial statements are described as follows:

Governmental Funds: Governmental Funds are those through which general governmental functions of the Village are financed. The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of current financial resources) rather than upon net income. The Village reports these major governmental funds and fund types:

General Fund - The General Fund is the main operating fund of the Village. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Special Revenue Funds –

- **Fire Protection –** to account for the collection and distribution of proceeds of the 2/3 percent parish sales tax allocated to the Village of Rosedale for fire protection
- **LCDBG Housing Program –** to account for the receipt and disbursement of federal grant funds passed through the State of Louisiana for the rehabilitation of substandard residences within the Depot Park area of the Village

Capital Projects Funds - are used to account financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds)

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

1. Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements – Fund Financial Statements (Continued)

Proprietary Fund Types: Proprietary Funds are accounted for on a flow of economic resources measurement focus. The accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with a Proprietary Fund's activities are included on its balance sheet. The following are the Village's Proprietary Funds:

Enterprise Fund - Used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing water services to the general public on a continuing basis are financed through user charges.

D. Basis of Accounting

Basis of Accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It is related to the timing of the measurements made regardless of the measurement focus applied.

Accrual: Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges, and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental fund financial statement is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are generally recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt, if any, is recognized when due, and employee vacation and sick leave, which are recognized when due and payable.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from these estimates.

F. Defining Operating Revenues and Expenses

The Village's proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses of the Village's water fund consists of charges for services and the costs of providing those services, including depreciation. All other revenues and expenses are reported as non-operating.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

1. Summary of Significant Accounting Policies (Continued)

G. Comparative Information

The financial statements include prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Village's financial statements for 2011 from which the summarized information was derived.

H. Deferred Outflows of Resources and Deferred Inflows of Resources and Net Position

In December 2010, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Village has no items that qualify for reporting in this category.

I. Cash and Investments

State statutes authorize the Village of Rosedale to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955.

J. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Proprietary Fund considers cash balances above the day to day needs and funds set aside for portfolio strategy reasons invested in demand deposits, certificates of deposit, obligations of the U. S. Treasury, federal agencies, or U. S. government instrumentalities with original maturities of 90 days or less to be cash equivalents. Investments in Louisiana Asset Management Pool (LAMP) are also considered cash equivalents. LAMP assets are restricted to maturities of 90 days or less, at balance sheet date.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

1. Summary of Significant Accounting Policies (Continued)

K. Accounts Receivable

All receivables are reported net of estimated uncollectible amounts.

L. Inventories and Prepaid Items

All inventories are valued at cost. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and business-type fund financial statements.

M. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g. roads, bridges, sidewalk and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The Village maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to October 1, 2003.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the current fiscal year no interest was incurred in the capitalized projects.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 Years
Land improvements	20 Years
Water distribution system	20 Years
Mowers, tractors and attachments	15 Years
Fire trucks	15 Years
Fire fighting equipment	10 Years
Light trucks & equipment	5 Years

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

1. Summary of Significant Accounting Policies (Continued)

N. Compensated Absences

Employees of the Village earn personal leave at various rates depending upon length of employment. Employees with less than 5 years service will accumulate total leave time at the rate of 3/4 day per month worked. Employees with more than 5 years service will accumulate total leave time at the rate of 1 ½ days per month worked. The maximum leave time which may be accumulated is an amount equal to the number of days which can be earned by the employee during a twenty-four (24) month period. However, personal leave accumulated in excess of the maximum permitted shall be credited to the employee as sick leave.

Under the federal Family and Medical Leave Act of 1993 eligible employees must substitute accumulated personal leave and then all unused sick leave for any part or all of the weeks of leave to the employee is entitled under that Act.

Personal leave may be taken as earned by an employee with the approval of the employee's department head. Employees who resign or retire, or who are dismissed from employment shall not be paid for accrued leave. However, any unused sick leave credited to an employee who terminates employment by retirement shall be reported to the retirement system of which the employee is a member.

O. Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position are divided into three components:

- Net Investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consist of net position that is restricted by the Village's creditors, by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by any other contributors.
- Unrestricted - all other net position is reported in this category.

Restricted or unrestricted amounts are considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available. Restricted amounts would be reduced first, when expenditures are incurred for purposes for which restriction was instated.

P. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of Village Code, state or federal laws, or externally imposed conditions by grantors or creditors
- Committed – Amounts that can be used only for specific purposes determined by a formal action by Village ordinance or resolution.
- Assigned – Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Village Board of Aldermen.

- Unassigned – All amounts not included in other spendable classifications.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

1. Summary of Significant Accounting Policies (Continued)

Q. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

2. Stewardship, Compliance and Accountability

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted by the Mayor to the Board of Aldermen prior to the beginning of each fiscal year. The proposed budget summary is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.
2. The budget is adopted through passage of an ordinance prior to commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval from the Board of Aldermen.
4. Budgets for the General and Special Revenue Funds are adopted on a GAAP basis, therefore these funds utilize the same basis of accounting for both budgetary purposes and actual results. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - presents a comparison of budgetary data and actual results of operations for which budgets are legally adopted. The Special Revenue Fund – LCDBG Housing Program and the Capital Projects Funds are budgeted over the life of the project and not on an annual basis therefore budgetary data for this fund has not been presented in the accompanying financial statements.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The level of budgetary control is total appropriations.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

3. Deposits and Investments

Cash and Cash equivalents include Cash on hand, petty cash, bank accounts and short-term investments. See Note 1 (I) and (J) for additional cash disclosure information. At December 31, 2014 the Village had cash and cash equivalents (book balances) totaling \$1,268,532 comprised of the following:

	2014	2013
Petty cash	\$ 100	\$ 100
Checking accounts	345,044	372,274
LAMP	923,388	573,200
	<u>\$ 1,268,532</u>	<u>\$ 945,574</u>

Custodial Credit Risk – Deposits:

Custodial credit risk is the risk that in event of a bank failure the Village's deposits may not be returned. Deposits are exposed to custodial credit risk if they are either (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution or its trust department/agent but not in the name of the Village.

State law requires that the Village deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank.

At December 31, 2014, the Village had \$385,493 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$135,493 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Investments held at December 31, 2014 include \$923,388 invested in the Louisiana Asset Management Pool, Inc. (LAMP) (see Summary of Significant Accounting Policies). The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with LA-RS 33:2955.

Investment Credit Risk: LAMP is rated AAAm by Standard's & Poor's.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

4. Receivables

Receivables at December 31, 2014 are as follows:

	General Fund	Special Revenue		Capital Projects	Enterprise Fund Water System	Totals
		Fire Protection	LCDBG Housing			
Due from other governments:						
Iberville Parish Sales Tax	\$ 59,584	\$ 12,118	\$ -	\$ -	\$ -	\$ 71,702
State of Louisiana -						
Beer tax	117	-	-	-	-	117
Highway Maintenance	-	-	-	-	-	-
Office of Community Development	-	-	3,000	-	-	3,000
Office of Homeland Security	-	-	-	24,711	-	24,711
Office of Community Development	20,000	-	-	-	3,420	23,420
Village of Grosse Tete	-	1,611	-	-	-	1,611
Total due from other governments	79,701	13,729	3,000	24,711	3,420	124,561
Franchise tax	8,597	-	-	-	-	8,597
Customer Accounts	152	-	-	-	8,009	8,161
Less: Allowance for uncollectible accounts	-	-	-	-	(1,179)	(1,179)
Net receivables	\$ 88,450	\$ 13,729	\$ 3,000	\$ 24,711	\$ 10,249	\$ 140,139

5. Interfund Receivables and Payables

A summary of interfund receivables and payables at December 31, 2014 are as follows:

	General Fund	Special Revenue		Capital Projects	Enterprise Fund Water System	Totals
		Fire Protection	LCDBG Housing			
Interfund Receivables/Payables:						
Due from other funds	\$ 28,051	\$ -	\$ -	\$ -	\$ -	\$ 28,051
Due to other funds	-	-	(3,000)	(24,811)	(239)	(28,051)
Totals	\$ 28,051	\$ -	\$ (3,000)	\$ (24,811)	\$ (239)	\$ (0)

Due to/due from accounts are used for short term financing between funds

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

6. Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Village allocates to the Special Revenue and Enterprise Funds a percentage of salaries and wages and related costs of personnel who perform services for the Fire Department and Water System but were paid through the General Fund.

	General Fund	Special Revenue		Capital Projects Various	Enterprise Fund Water System	Totals
		Fire Protection	LCDBG Housing			
Interfund Transfers In/(Out):						
Transfers In -						
Salaries	\$ -	\$ 4,631	\$ -	\$ -	\$ 87,927	\$ 92,558
Operating	-	-	-	-	-	-
Capital projects						
Totals	<u>\$ -</u>	<u>\$ 4,631</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,927</u>	<u>\$ 92,558</u>
Transfers (Out) -						
Salaries	\$ (92,558)	\$ -	\$ -	\$ -	\$ -	\$ (92,558)
Operating	-	-	-	-	-	-
Capital projects						
Totals	<u>\$ (92,558)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (92,558)</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

7. Capital Assets

A summary of the capital assets associated with the governmental funds are as follows:

	<u>Balance</u> <u>12/31/2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>12/31/2014</u>
Governmental Activities				
Non-depreciable: Land	\$ 151,373	50,000	-	\$ 201,373
Construction in progress	78,854	140,959	(130,193)	89,620
Total Non-depreciable	<u>230,227</u>	<u>190,959</u>	<u>(130,193)</u>	<u>290,993</u>
Depreciable:				
Buildings	747,192	-	-	747,192
Improvements other than buildings	2,059,077	130,193	(38,648)	2,150,623
Machinery & equipment	1,316,806	19,104	-	1,335,910
Total Depreciable	<u>4,123,076</u>	<u>149,297</u>	<u>(38,648)</u>	<u>4,233,726</u>
Total Capital Assets	<u>4,353,303</u>	<u>340,257</u>	<u>(168,841)</u>	<u>4,524,719</u>
Less: Accumulated depreciation				
Buildings	331,180	22,815	-	353,996
Improvements other than buildings	656,154	71,605	(8,303)	719,456
Machinery & equipment	1,045,371	97,272		1,142,644
Total	<u>2,032,706</u>	<u>191,693</u>	<u>(8,303)</u>	<u>2,216,096</u>
Net Book Value	<u><u>\$ 2,320,597</u></u>			<u><u>\$ 2,308,623</u></u>

Depreciation expense charged to functions of the primary government as follows:

General government	\$ 11,430
Public safety - police & fire	76,580
Public services	96,274
Culture & recreation	7,409
	<u>\$ 191,693</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

7. Capital Assets (Continued)

A summary of proprietary fund type property, plant and equipment at December 31, 2014 follows:

Enterprise Fund - Water System:

	Balance 12/31/2013	Increases	Decreases	Balance 12/31/2014
Business-type Activities				
Non-depreciable - Construction in progress	\$ 1,875	34,650	(36,525)	\$ (0)
Total Non-depreciable	1,875	34,650	(36,525)	(0)
Depreciable:				
Distribution system	1,816,012	41,510	-	1,857,522
Machinery & equipment	64,655	-	-	64,655
Total Depreciable	1,880,667	41,510	-	1,922,177
Total Capital Assets	1,882,542			1,922,177
Less: Accumulated depreciation				
Distribution system	804,909	84,996	-	889,905
Machinery & equipment	51,302	5,602	-	56,904
Total Accumulated depreciation	856,211	90,598	-	946,809
 Net Book Value	 <u>\$ 1,026,331</u>			 <u>\$ 975,368</u>

8. Fund Balance

GASB NO. 54 defines fund balance as either nonspendable, restricted, committed, assigned and /or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resourced in the governmental funds. The constraints placed on fund balance for the major governmental funds are presented as follows:

	General Fund	Special Revenue Fire Protection	LCDDBG Housing	Capital Projects Various	Totals
Fund Balances -					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for -					
Sales and use tax restrictions	-	433,796	-	-	433,796
Total fund balances restricted	-	433,796	-	-	433,796
Committed	-	-	-	-	-
Assigned -					
Street projects	150,000	-	-	-	150,000
Unassigned	734,152	-	-	-	734,152
Total Fund balances	<u>\$ 884,152</u>	<u>\$ 433,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,317,948</u>

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

9. Pension Plans

Municipal Employees' Retirement System -

Plan Description Substantially all of the Village of Rosedale's eligible full time employees participate in the Municipal Employees' Retirement System ("MERS") - Plan "A", a cost sharing multiple-employer defined benefit pension plan administered by the Louisiana Municipal Employee's Retirement System. All Village full-time employees are eligible to participate in the System. Employees who retire at or after age 55 with 30 years of credited service and at or after 60 with 10 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final compensation for each year of creditable service. Final compensation is the employee's average highest compensation for 36 consecutive months. Benefits fully vest on reaching 10 years of service. Vested employees may retire before age 60 and receive reduced retirement benefits. The System also provides death and disability benefits. Benefits are established by State statute. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for MERS. The report may be obtained by calling 1-225-925-4810.

Funding Policy The payroll for employees covered by the System for the year ended December 31, 2014 was \$203,392; the Village's total payroll was \$282,484. Covered employees are required by State statute to contribute 9.5% of their salary to the System. The Village is required by the same statute to contribute 18.75%/19.75% of the employee's eligible compensation monthly to the System. The contribution requirement for the years ended December 31, 2014, 2013, and 2012 was \$39,155, \$33,336, and \$28,227, respectively.

10. Compensation of Village Officials

A Detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2014 follows:

	Per Diem	Salary
Mayor:		
Lawrence J. Badeaux	\$ -	\$ 14,400
Board of Aldermen:		
Kevin Gantt	-	7,200
Dana N. Alexander	-	7,200
John T. Doiron	-	7,200
	<u>\$ -</u>	<u>\$ 36,000</u>

11. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Village has elected to purchase commercial insurance to cover its exposure to loss. The Village is insured up to policy limits for each of the above risks. There have been no significant reductions in coverage retentions or limits since the prior year.

Village of Rosedale, Louisiana
Notes to the Financial Statements
As of and for the year ended December 31, 2014

12. Judgments, Claims and Similar Contingencies

The Village's management believes that any potential claims would be covered by insurance or resolved without any material impact upon the Village's financial statements.

13. Construction Commitments

The Village of Rosedale had several capital projects and related funding in various stages of progress at year end. All major projects have been completed. As part of its capital outlay program, the Village has entered into various construction contracts. At December 31, 2014, the Village had no construction commitments payable from local funds.

14. Economic Dependence

The Village of Rosedale received 89% of its total revenue from parish sales tax. Proceeds of the 1% sales tax are to be used for the purposes of opening, constructing, paving and improving streets, sidewalks, roads and alleys, constructing bridges, purchasing or constructing waterworks, sewers, drains, drainage canals, pumping plants, sewerage disposal works, light and power plants, gas plants, halls, jails, fire departments' stations, and equipment, hospitals, auditoriums, public parks, natatoriums, libraries, docks, wharves, river terminals and other public buildings, including the necessary equipment and furnishings there for. The 1% sales and use tax is used by the Village to pay the cost of capital outlay projects; to maintain and operate public facilities, to administer local governments, and to provide other lawful services. Additionally, proceeds of the 2/3% sales and use tax provided by the Iberville Parish Council is dedicated for fire protection for the Village.

15. Subsequent Events

Management for the Village of Rosedale has evaluated events or transactions occurring after the balance sheet date through May 18, 2015.

16. Extraordinary Item

In 2009, after Hurricane Gustav struck the area, the Village required a place to burn debris in accordance with FEMA regulations therefore a plot of land was leased for this purpose. The Village made improvements to the land to make it suitable for its intended purpose. The Village was forced by the land owners to abandon the improved land during the current fiscal year. At December 31, 2014 the book value of the land improvements of \$30,345 was removed from the Village's assets and reported as an extraordinary loss in the governmental activities of the statement of activities.

REQUIRED SUPPLEMENTARY INFORMATION -- PART II
Budgetary Comparison Schedules

Village of Rosedale, Louisiana
Budgetary Comparison Schedule
General Fund

For the Year Ended December 31, 2014 with summarized comparative totals for 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>	<u>2013</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>	<u>Totals</u>
				<u>Over (Under)</u>	
Revenues					
Taxes and licenses	\$ 54,600	\$ 54,600	\$ 64,876	\$ 10,276	\$ 60,309
Intergovernmental revenue	645,550	645,550	804,902	159,352	800,851
Charges for services	10,990	10,990	17,165	6,175	9,695
Fines & Forfeitures	2,500	2,500	3,048	548	2,382
Interest income	300	300	123	(177)	207
Miscellaneous	300	300	1,266	966	245
Sale of capital assets	0	0	0	0	0
Total Revenues	714,240	714,240	891,379	177,139	873,689
Expenditures					
General administration	181,372	181,372	172,547	8,825	170,655
Public safety - Police	44,341	44,341	35,902	8,439	31,819
Public works - Streets & sanitation	298,216	298,216	193,741	104,475	186,365
Capital outlay	10,500	150,800	156,282	(5,482)	55,204
Total Expenditures	534,429	674,729	558,472	116,257	444,043
Excess (Deficiency) of Revenues Over Expenditures	179,811	39,511	332,907	293,396	429,646
OTHER FINANCING SOURCES (USES):					
Operating transfers (out)	(46,872)	(46,872)	(92,558)	(45,686)	(354,338)
Total Other Financing Sources (Uses)	(46,872)	(46,872)	(92,558)	(45,686)	(354,338)
Net Change in Fund Balances	132,939	(7,361)	240,348	247,709	75,308
Beginning Fund Balance	402,166	643,804	646,176	2,372	568,496
Ending Fund Balance	\$ 535,105	\$ 636,443	\$ 886,524	\$ 250,081	\$ 643,804

Notes to Budgetary Schedule:

1. Budget reflects Modified Accrual Basis of Accounting
2. Excess Expenditures over Appropriations in the Amended Budget reflect General Fund payments for capital outlays.

Village of Rosedale, Louisiana
 Budgetary Comparison Schedule
 Special Revenue Fund - Fire Protection
 For the Year Ended December 31, 2014 with summarized comparative totals for 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with	2013
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Over (Under)</u>	<u>Totals</u>
REVENUES					
Intergovernmental revenue	\$ 146,000	\$ 146,000	\$ 164,440	\$ 18,440	\$ 242,599
Interest income	150	150	79	(71)	125
Miscellaneous income	500	0	6,275	6,275	0
Sale of capital assets	0	0	1,600	1,600	12,000
 Total Revenue	 146,650	 146,150	 172,394	 26,244	 254,724
EXPENDITURES					
Public safety - Fire	76,355	76,355	63,125	13,230	65,150
Capital outlay	8,000	58,000	53,781	4,219	98,482
 Total Expenditures	 84,355	 134,355	 116,907	 17,448	 163,632
 Excess (Deficiency) of Revenues Over Charges to Expenditures	 62,295	 11,795	 55,488	 43,693	 91,092
OTHER FINANCING SOURCES (USES):					
Operating transfers (in)	4,065	4,065	4,631	566	4,127
 Total Other Financing Sources (Uses)	 4,065	 4,065	 4,631	 566	 4,127
 Net Change in Fund Balances	 66,360	 15,860	 60,119	 44,259	 95,219
 Beginning Fund Balance	 350,357	 373,677	 373,677	 0	 278,458
 Ending Fund Balance	 \$ 416,717	 \$ 389,537	 \$ 433,796	 \$ 44,259	 \$ 373,677

Notes to Budgetary Schedule:

1. Budget reflects Modified Accrual Basis of Accounting

OTHER SUPPLEMENTARY INFORMATION

Village of Rosedale, Louisiana
Schedule of Compensation, Benefits and other Payments To
Agency Head or Chief Executive Officer
December 31, 2014

Agency Head Name: Lawrence J. Badeaux, Mayor

	<u>Amount</u>
Purpose:	
Salary	\$ 14,400
Benefits - insurance	209
Benefits - retirement	446
Benefits - other	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Conference travel	102
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Meals	0
	<u>\$ 15,157</u>

INFORMATION REQUIRED BY GOVERNMENT AUDITING STANDARDS

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Louisiana Society of CPA's

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and
Members of the Board of Aldermen
Village of Rosedale, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the **Village of Rosedale, Louisiana (the "Village")**, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued my report thereon dated May 18, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, I do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employee, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention of those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

W. Kathleen Beard

Certified Public Accountant

May 18, 2015

Village of Rosedale, Louisiana
Schedule of Findings and Responses
For the year ended December 31, 2014

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unqualified

Report on Internal Control and Compliance Material to the Financial Statements

- Material Weaknesses ☐ Yes ☒ No Significant deficiencies ☐ Yes ☒ No
- Noncompliance Material to the Financial Statements ☐ Yes ☒ No

Federal Awards

N/A - Federal awards below \$500,000 thresh hold required by OMB Circular A-133

Management letter issued? ☐ Yes ☒ No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings.

Village of Rosedale, Louisiana
Schedule of Prior Year Findings and Responses
As of and for the year ended December 31, 2014

Finding 2013-1 Preparation of Financial Statements:

CONDITION: As is common in small organizations, the Village of Rosedale does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such, management has chosen to engage the auditor to propose certain year-end adjusting entries and the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established.

RECOMMENDATION: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS No. 115 reporting requirements. The Village of Rosedale has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and has determined that it is in the best interests of the Village to outsource this task to its independent auditor, carefully review all proposed adjustments, the draft financial statements and notes prior to approving them and accepting responsibility for its contents and presentation.

RESOLUTION: The Village engaged a contract accounting who is knowledgeable and experienced in governmental accounting to assist the Clerk in various tasks throughout the year including the financial year-end close out and review of financial statements and approval of year-end adjusting entries.